

**RESOLUTION NO. R-15-42**

**WHEREAS**, the unmet need for affordable housing throughout our region is well documented; and

**WHEREAS**, the proposed redevelopment of existing affordable housing will markedly reduce the quantity of affordable housing stock in the City of Fairfax; and

**WHEREAS**, the City Council convened a Housing Affordability Workgroup to develop a menu of affordable housing strategies that included a template for a voluntary development condition/proffer and resulted in changes to the City's Comprehensive Plan that prioritized housing affordability; and

**WHEREAS**, the City Council held a work session on February 3, 2015 to review the City's policies on affordable housing and requested that a template for a voluntary development contribution be submitted for its consideration in conjunction with the voluntary development condition/proffer; and

**WHEREAS**, the City Council supports the consideration of affordable housing in the development approval process and places a priority on the provision of affordable units with an expectation that no less than 6% of units would be affordable to households earning up to 60% AMI with the standard HUD adjustment factor and based on an affordability standard of 30% monthly income including all utilities and fees as defined by the Federal Housing Administration for 30 years; and

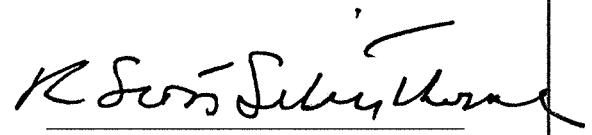
**WHEREAS**, the City Council places a priority on the provision of affordable units for city residents and employees; and

**WHEREAS**, the City Council acknowledges that allowances for cash in lieu of providing affordable units through a voluntary development contribution to be adjusted by staff annually in accordance with the Consumer Price Index for All Urban Customers (CPI-U) may be appropriate in instances in which units are being developed for individual ownership; and

**WHEREAS**, the City Council recognizes that the City of Fairfax is essentially developed and new residential construction will occur through infill redevelopment of any number of units with unit types ranging from single-family detached to multifamily units.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fairfax endorses the attached templates for a voluntary development condition/proffer and a voluntary development contribution for consideration in the approval process for all types and sizes of residential development.

Adopted: September 29, 2015

  
Mayor

ATTEST:

  
City Clerk

The vote on the motion to approve was recorded as follows:

**VOTE:**

Councilman DeMarco	Aye
Councilman Greenfield	Aye
Councilmember Loftus	Absent
Councilman Meyer	Aye
Councilmember Miller	Aye
Councilmember Schmidt	Aye

**City of Fairfax  
Voluntary Development Condition / Proffer Template**

In order to address the need for housing affordability for City of Fairfax residents at various income levels, the Applicant shall lease a certain number of units constructed on the Application Property as affordable units in accordance with the following conditions:

- A. No less than six (6) percent of units shall be affordable to households with an income of up to sixty (60) percent of the median income (AMI) for the Washington Standard Metropolitan Statistical Area as specified annually by HUD, with adjustments for household size as specified by HUD.

Maximum rental rates are to be determined according to the following formula: The base income figure (60 percent of AMI) shall be adjusted for different dwelling unit sizes based on the number of bedrooms in the dwelling unit:

<b>Number of Bedrooms</b>	<b>Adjustment</b>
Studio/Efficiency	70%
1-bedroom	80%
2-bedroom	90%
3-bedroom	100%

The result of this calculation for each size dwelling unit shall then be divided by twelve (12), then multiplied by thirty percent (30%) and rounded to the nearest whole number to establish the monthly rent for the unit. The maximum rental rate must include rent plus all utilities and fees as defined by the Federal Housing Administration.

- B. The units shall be integrated into and dispersed throughout the development to the extent feasible, constructed of comparable materials and fixtures, and upkept with comparable maintenance levels. The units shall be integrated and dispersed through all phases and/or buildings in a multi-phase or multi-building development. Tenants of the affordable units must be afforded all facility and parking privileges offered to market-rate tenants, without the charging of fees in excess of rent specified in Subsection A.
- C. The number of bedrooms per unit made available to tenants under the given income category (Subsection A) shall be proportional to the ratio of bedrooms per unit in the market units.
- D. The Leasing Manager of the Application Property shall provide quarterly statements to the City Manager specifying each Affordable Dwelling Unit contained on the property, its size and number of bedrooms, and each unit's occupancy/vacancy status, and tenant eligibility information, including the following information:
1. The tenant's name and household size;
  2. The effective date of the lease;

3. Verification of the tenant's (household) income as of the date of the lease;
  4. The unit's monthly rent.
- E. Existing tenants who are income qualified upon initial occupancy shall remain eligible for affordable housing provided their household income remains at or below 80% of AMI as adjusted herein for household size. Existing tenants whose income exceeds 80% of AMI will no longer qualify under the income eligibility criteria identified herein, and the Leasing Manager, within his sole discretion, shall either allow the tenant to continue occupancy at market rates and designate another unit of the same type within the development as affordable, as soon as such a unit is available, or relocate the tenant to a market rate unit and continue to lease the previously designated affordable unit in accordance with the income eligibility criteria.
- F. The affordability restriction described herein shall remain in place for thirty (30) years after the issuance of the first occupancy of an affordable unit on the Application Property, at which time this proffer shall be null and void and of no further force and effect.
- In the case of a multi-phase or multi-building development, the affordability restriction described herein shall remain in place for thirty (30) years after the issuance of the first occupancy of an affordable unit within any specific phase or building, at which time this proffer shall be null and void and of no further force and effect.
- At the conclusion of the thirty (30) year period described above, the leasing manager shall provide relocation assistance to tenants of the affordable units who are leasing units at the time of the expiration of the affordability restrictions. This relocation assistance must be detailed in a Plan submitted to the City Manager no less than one year prior to the conclusion of the thirty (30) year affordability period and shall consist of a contribution of fifty (50) percent of reasonable market costs incurred by each affected household for the purposes moving physical property from the subject property. Once approved by the City Manager, the relocation plan shall be presented to each tenant of an affordable dwelling unit no less than six (6) months prior to the conclusion of the thirty (30) year affordability period.
- G. Should the proposed development be converted to condominium ownership, such conversion may only occur after the Applicant submits, and City Council approves, a plan to ensure that the affordable units are maintained as affordable rental or for-sale units for the balance of the thirty (30) year affordability term, or an equivalent cash-in-lieu contribution.

## City of Fairfax Voluntary Development Contribution Template

In order to address the need for housing affordability for City of Fairfax residents, the Applicant may offer a voluntary development contribution in lieu of providing affordable units within the project in accordance with the City's voluntary development condition/proffer.

The City of Fairfax places a priority on the provision of affordable units, but acknowledges that a monetary contribution in lieu of providing affordable units may be appropriate in instances in which units are being developed for individual ownership.

For applicants that intend to provide a monetary contribution in lieu of providing units, the following provisions are offered as guidance:

### A. Monetary contribution formula

<b><u>Residential development</u></b>	<b><u>Rates per dwelling unit*</u></b>
By-right	\$3,012
Development approval	\$6,036

The by-right rate applies to the number of residential units in the project that may be permitted on the site as a matter of right by the Zoning Ordinance as calculated by maximum density (units/acre) or minimum lot area, as applicable (please note - not all sites allow residential development by-right). The development approval rate applies to the number of residential units in the project that are not by-right.

### B. Rental conversion

A monetary contribution does not supplant the City's priority of providing affordable units. Therefore, a development condition or proffer, such as that shown below, should be considered if the parameters of the proposal change to more readily allow for the provision of units:

Should a development proposed for ownership and approved with a contribution in lieu of providing affordable units subsequently be converted to rental, such conversion may only occur after the Applicant submits, and City Council approves, a plan to ensure that the project includes a provision of affordable units commensurate with that outlined in the Voluntary Development Condition / Proffer Template.

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\*The rates are adjusted annually in accordance with the Consumer Price Index for All Urban Customers (CPI-U).